



**REPORT OF THE AUDITOR OF PUBLIC ACCOUNTS
AUDIT EXAMINATION OF THE
WASHINGTON COUNTY FISCAL COURT**

Fiscal Year Ended June 30, 1998

**EDWARD B. HATCHETT, JR.
AUDITOR OF PUBLIC ACCOUNTS
WWW.STATE.KY.US/AGENCIES/APA**

**144 CAPITOL ANNEX
FRANKFORT, KY 40601
TELE. (502) 564-5841
FAX (502) 564-2912**

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Edward B. Hatchett, Jr. Auditor of Public Accounts

To the People of Kentucky
Honorable Paul Patton, Governor
John McCarty, Secretary
Finance and Administration Cabinet
Sarah Jane Schaaf, Secretary, Revenue Cabinet
Honorable John A. Settles, County Judge/Executive
Honorable Bobby Brady, Former County Judge/Executive
Members of the Washington County Fiscal Court

Independent Auditor's Report

We have audited the accompanying statement of assets, liabilities, and fund balances arising from cash transactions of Washington County, Kentucky, as of June 30, 1998, and the related statement of cash receipts, cash disbursements, and changes in cash balances for the year then ended. These financial statements are the responsibility of the Washington County Fiscal Court. Our responsibility is to express an opinion on these financial statements based on our audit

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards issued by the Comptroller General of the United States, and the Audit Guide for Fiscal Court Audits issued by the Auditor of Public Accounts, Commonwealth of Kentucky. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Washington County, Kentucky, prepares its financial statements on a prescribed basis of accounting that demonstrates compliance with the cash basis and laws of Kentucky. Consequently, certain revenues and the related assets are recognized when received rather than when earned, and certain expenses are recognized when paid rather than when a liability is incurred. The cash basis accounting system does not require an entity to maintain a general fixed asset group or a general long-term debt group of accounts. Accordingly, the accompanying financial statements are not intended to present financial position and results of operations in conformity with generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and fund balances arising from cash transactions of Washington County, Kentucky, and the related statement of cash receipts, cash disbursements, and changes in cash balances as of and for the year ended June 30, 1998, in conformity with the cash basis of accounting described above.

To the People of Kentucky
Honorable Paul Patton, Governor
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Our audit was performed for the purpose of forming an opinion on the financial statements of Washington County, Kentucky, taken as a whole. The information provided on the accompanying schedules is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented, in all material respects, in relation to the financial statements taken as a whole.

In accordance with Government Auditing Standards, we have also issued our report dated May 27, 1999, on our consideration of Washington County, Kentucky's compliance with certain provisions of laws, regulations, contracts, and grants, and internal control over financial reporting.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Ed Hatchett", with a long horizontal flourish extending to the right.

Edward B. Hatchett, Jr.
Auditor of Public Accounts

Audit fieldwork completed -
May 27, 1999

WASHINGTON COUNTY OFFICIALS

Fiscal Year Ended June 30, 1998

Bobby Brady	County Judge/Executive
Hamilton Simms	County Attorney
A.H. Robertson	County Clerk
George Graves	Circuit Court Clerk
Albert Blandford	Sheriff
Lonnie Boswell	Jailer
Barbara Stumph	Property Valuation Administrator
Carla Hardin	County Treasurer
Freddie Carrie	Coroner
Simmeon Cambron	Magistrate
Ernest R. Goff	Magistrate
Hal Goode	Magistrate
Billy Riney, Jr.	Magistrate
Greg Simms	Magistrate
Terry Tingle	Magistrate

STATEMENT OF ASSETS, LIABILITIES,
AND FUND BALANCES ARISING FROM CASH TRANSACTIONS

WASHINGTON COUNTY
STATEMENT OF ASSETS, LIABILITIES,
AND FUND BALANCES ARISING FROM CASH TRANSACTIONS

June 30, 1998

Assets

General Fund:	
Cash	\$ 467,563
Road and Bridge Fund:	
Cash	87,409
Local Government Economic Assistance Fund:	
Cash	789
Senior Citizen Grant Fund:	
Cash	25,561
Fredericktown Project Grant Fund:	
Cash	84,233
Payroll Tax Account - Cash	<u>18,022</u>
Total Assets	<u><u>\$ 683,577</u></u>

Liabilities and Fund Balances

Liabilities

General Fund:	
Note Payable (Note 5)	\$ 54,000
Payroll Tax Account - Cash	18,022

Fund Balances

Reserved:	
Senior Citizen Grant Fund	25,561
Fredericktown Project Grant Fund	84,233
Unreserved:	
General Fund	413,563
Road and Bridge Fund	87,409
Local Government Economic Assistance Fund	<u>789</u>
Total Liabilities and Fund Balances	<u><u>\$ 683,577</u></u>

The accompanying notes are an integral part of the financial statements.

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STATEMENT OF CASH RECEIPTS,
CASH DISBURSEMENTS, AND CHANGES IN CASH BALANCES

WASHINGTON COUNTY
STATEMENT OF CASH RECEIPTS,
CASH DISBURSEMENTS, AND CHANGES IN CASH BALANCES

Fiscal Year Ended June 30, 1998

	Totals (Memorandum Only)	General Fund	Road and Bridge Fund	Jail Fund
<u>Cash Receipts</u>				
Schedule of Operating Revenue	\$ 2,814,514	\$ 1,553,936	\$ 768,167	\$ 41,629
Transfers In	107,036	2,000		105,036
Borrowed Money	54,000	54,000		
Kentucky Advance Revenue Program	571,870	462,805	109,065	
Total Cash Receipts	<u>\$ 3,547,420</u>	<u>\$ 2,072,741</u>	<u>\$ 877,232</u>	<u>\$ 146,665</u>
<u>Cash Disbursements</u>				
Comparative Schedule of Final Budget and Budgeted Expenditures	\$ 2,575,180	\$ 1,340,487	\$ 746,137	\$ 146,665
Transfers Out	107,036	105,036		
Kentucky Advance Revenue Program Repaid	571,870	462,805	109,065	
Total Cash Disbursements	<u>\$ 3,254,086</u>	<u>\$ 1,908,328</u>	<u>\$ 855,202</u>	<u>\$ 146,665</u>
Excess (Deficiency) of Cash Receipts Over (Under) Cash Disbursements	\$ 293,334	\$ 164,413	\$ 22,030	\$ 0
Cash Balance - July 1, 1997	<u>372,221</u>	<u>303,150</u>	<u>65,379</u>	
Cash Balance - June 30, 1998	<u>\$ 665,555</u>	<u>\$ 467,563</u>	<u>\$ 87,409</u>	<u>\$ 0</u>

The accompanying notes are an integral part of the financial statements.

WASHINGTON COUNTY
 STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
 CHANGES IN CASH BALANCES
 Fiscal Year Ended June 30, 1998
 (Continued)

Local Government Economic Assistance Fund	Senior Citizen Grant Fund	Fredericktown Project Grant Fund
\$ 19,481	\$ 211,400	\$ 219,901
<u>\$ 19,481</u>	<u>\$ 211,400</u>	<u>\$ 219,901</u>
\$ 22,383	\$ 183,840 2,000	\$ 135,668
<u>\$ 22,383</u>	<u>\$ 185,840</u>	<u>\$ 135,668</u>
\$ (2,902) 3,691	\$ 25,560 1	\$ 84,233
<u>\$ 789</u>	<u>\$ 25,561</u>	<u>\$ 84,233</u>

WASHINGTON COUNTY
NOTES TO FINANCIAL STATEMENTS

June 30, 1998

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The financial statements of Washington County include the funds, agencies, boards, and entities for which the fiscal court is financially accountable. Financial accountability, as defined by Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, as amended by GASB 14, was determined on the basis of the government's ability to significantly influence operations, select the governing authority, participate in fiscal management and the scope of public service. Based upon the application of the criteria stated in GASB 14, there are no component units which merit consideration as part of the reporting entity.

B. Fund Accounting

Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. The government uses funds to report on its financial position and the results of its operations. A fund is a separate accounting entity with a self-balancing set of accounts.

C. Basis of Accounting

The financial statements were prepared on a cash basis of accounting pursuant to Kentucky Revised Statute (KRS) 68.210 as recommended by the State Local Finance Officer. Consequently, certain revenues and related assets are recognized when received rather than when earned, and certain expenses are recognized when paid rather than when a liability is incurred. The cash basis accounting system does not require an entity to maintain a general fixed asset group or a general long-term debt group of accounts.

D. Legal Compliance - Budget

The Washington County budget is adopted on a cash basis of accounting and laws of Kentucky as required by the State Local Finance Officer. The County Judge/Executive is required to submit estimated receipts and proposed expenditures to the fiscal court by May 1 of each year. The budget is prepared by fund, function, and activity and is required to be adopted by the fiscal court by July 1.

The fiscal court may change the original budget by transferring appropriations at the activity level; however, the fiscal court may not increase the total budget without approval by the State Local Finance Officer. Expenditures may not exceed budgeted appropriations at the activity level.

E. Cash and Investments

Cash includes amounts in bank accounts, and investments are stated at cost. Investments may include certificates of deposit on the financial statements; however, for the purpose of disclosing credit risk (Note 3), investments exclude certificates of deposit.

WASHINGTON COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 1998
(Continued)

Note 1. (Continued)

E. Cash and Investments (Continued)

KRS 66.480 authorizes the county to invest in the following, including but not limited to, obligations of the United States and of its agencies and instrumentalities, obligations and contracts for future delivery or purchase of obligations backed by the full faith and credit of the United States, obligations of any corporation of the United States government, bonds or certificates of indebtedness of this state, and certificates of deposit issued by or other interest-bearing accounts of any bank or savings and loan institution which are insured by the Federal Deposit Insurance Corporation (FDIC) or which are collateralized, to the extent uninsured, by any obligation permitted by KRS 41.240(4).

Note 2. Employee Retirement System

The county has elected to participate in the County Employees Retirement System (CERS), pursuant to KRS 78.530 administered by the Board of Trustees of the Kentucky Retirement Systems. This is a multiple-employer public retirement system which covers all eligible full-time employees. Benefit contributions and provisions are established by statute. Nonhazardous covered employees are required to contribute 5 percent of their salary to the plan. The county's contribution rate for nonhazardous employees was 8.65 percent. Hazardous covered employees are required to contribute 7 percent of their salary to the plan. The county's contribution rate for hazardous employees was 18.21 percent.

Benefits fully vest on reaching five years of service for nonhazardous employees. Aspects of benefits for nonhazardous employees include retirement after 27 years of service or age 65. Aspects of benefits for hazardous employees include retirement after 20 years of service or age 55.

Historical trend information showing the CERS' progress in accumulating sufficient assets to pay benefits when due is present in the Kentucky Retirement Systems' annual financial report.

Note 3. Deposits

The county maintains deposits with depository institutions insured by the Federal Deposit Insurance Corporation (FDIC). According to law, the depository institution should pledge sufficient securities as collateral which, together with FDIC insurance, equals or exceeds the amount on deposit at all times. In order to be valid against the FDIC in the event of failure or insolvency of the depository institution, this pledge of securities should be evidenced by an agreement that is (a) in writing, (b) approved by the board of directors of the depository institution or its loan committee, which approval must be reflected in the minutes of the board or committee, and (c) an official record of the depository institution. This agreement, signed by both parties, must be sufficient to create an enforceable and perfected security interest in the collateral under Kentucky law. The county met the requirements stated above, and as of June 30, 1998, deposits were fully insured or collateralized at a 100% level with securities held by the county's agent in the county's name.

WASHINGTON COUNTY
 NOTES TO FINANCIAL STATEMENTS
 June 30, 1998
 (Continued)

Note 4. Lease-Purchase Agreements

The county has entered into the following lease-purchase agreements:

<u>Description</u>	<u>Purchase Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Amount</u>
Voting Machines	4/10/95	2/1/00	5.14%	\$ 74,000
Willisburg Fire Truck	8/25/95	10/1/05	4.00%	\$ 42,000
Mackville Fire Truck	5/20/98	5/20/08	6.24%	\$ 75,000
Backhoe	6/3/97	7/1/00	4.25%	\$ 51,636

Note 5. Note Payable

The county borrowed \$54,000 of start-up money for the Senior Citizen Grant Fund. Borrowed money was repaid October 23, 1998.

COMPARATIVE SCHEDULE OF
BUDGETED TO ACTUAL OPERATING REVENUE

WASHINGTON COUNTY
COMPARATIVE SCHEDULE OF
BUDGETED TO ACTUAL OPERATING REVENUE

Fiscal Year Ended June 30, 1998

<u>Budgeted Funds</u>	<u>Budgeted Operating Revenue</u>	<u>Actual Operating Revenue</u>	<u>Over (Under) Budget</u>
General Fund	\$ 1,517,771	\$ 1,553,936	\$ 36,165
Road and Bridge Fund	809,860	768,167	(41,693)
Jail Fund	159,114	41,629	(117,485)
Local Government Economic Assistance Fund	23,171	19,481	(3,690)
Senior Citizen Grant Fund	211,200	211,400	200
Fredericktown Project Grant Fund	562,850	219,901	(342,949)
Totals	<u>\$ 3,283,966</u>	<u>\$ 2,814,514</u>	<u>\$ (469,452)</u>

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SCHEDULE OF OPERATING REVENUE

WASHINGTON COUNTY
SCHEDULE OF OPERATING REVENUE

Fiscal Year Ended June 30, 1998

	Totals (Memorandum Only)	General Fund	Road and Bridge Fund	Jail Fund
Revenue From Local Taxes and Excess Fees				
Sheriff:				
Taxes	\$ 224,521	\$ 224,521	\$	\$
County Clerk:				
Deed Transfer Tax	22,404	22,404		
Occupational Licenses	205	205		
Delinquent Taxes	2,084	2,084		
Excess Fees - 1997	6,131	6,131		
Tangible Personal Property Taxes:				
Other Counties	4,486	4,486		
County Clerk	33,120	33,120		
Omitted	2,205	2,205		
Occupational Employment Tax	417,511	417,511		
Insurance Premium Tax	315,923	315,923		
Omitted Intangible Tax	95	95		
Totals	\$ 1,028,685	\$ 1,028,685	\$ 0	\$ 0
<u>Federal Receipts - State Treasurer</u>				
Community Development Block Grants -				
Senior Citizen Center	\$ 209,400	\$	\$	\$
Flood Control Receipts	184,147			
Totals	\$ 393,547	\$ 0	\$ 0	\$ 0
<u>Kentucky State Treasurer</u>				
Jail:				
Allotments	\$ 24,000	\$	\$	\$ 24,000
Medical Allotments	1,607			1,607
Driving Under The Influence Fees	1,067			1,067
County Road Aid	546,771		546,771	
Truck License Distribution	151,651		151,651	

WASHINGTON COUNTY
 SCHEDULE OF OPERATING REVENUE
 Fiscal Year Ended June 30, 1998
 (Continued)

Local Government Economic Assistance Fund	Senior Citizen Grant Fund	Fredericktown Project Grant Fund
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\$	\$	\$
----	----	----

<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
-------------	-------------	-------------

\$	\$ 209,400	\$
<u>184,147</u>		

<u>\$ 0</u>	<u>\$ 209,400</u>	<u>\$ 184,147</u>
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\$	\$	\$
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WASHINGTON COUNTY
 SCHEDULE OF OPERATING REVENUE
 Fiscal Year Ended June 30, 1998
 (Continued)

	Totals (Memorandum Only)	General Fund	Road and Bridge Fund	Jail Fund
<u>Kentucky State Treasurer</u>				
(Continued)				
Courthouse Rental - Administrative				
Office of the Courts	\$ 29,325	\$ 29,325	\$	\$
Refunds:				
Legal Process Tax	56	56		
Drivers License	990		990	
Dog License	15	15		
Mineral Severance Tax	19,481			
Board of Assessments	200	200		
Grants:				
Disaster and Emergency Services				
Reimbursement	3,107	3,107		
Totals	\$ 778,270	\$ 32,703	\$ 699,412	\$ 26,674
<u>Miscellaneous Revenue</u>				
Interest	\$ 40,633	\$ 28,598	\$ 12,013	\$
Circuit Court Clerk:				
Jail Cost	10,305			10,305
Work Release	150			150
Boarding Fees	4,500			4,500
911 Receipts	54,771	54,771		
Kentucky Housing Corporation-				
Flood Receipts	35,732			
Donations	2,000			
Senior Center Contributions	3,264		3,264	
Governmental Leasing	75,000	75,000		
Claims For Damages	10,547	870	9,677	
Reimbursements	69,123	29,409	39,714	
Willisburg Reimbursement	4,769	4,769		
Armory Rental	7,135	7,135		
Charges for Services:				
Garbage Collection	15,521	15,521		
Ambulance Service	199,201	199,201		
Planning and Zoning Fees	7,530	7,530		

WASHINGTON COUNTY
 SCHEDULE OF OPERATING REVENUE
 Fiscal Year Ended June 30, 1998
 (Continued)

Local		
Government		Fredericktown
Economic	Senior Citizen	Project
Assistance	Grant	Grant
Fund	Fund	Fund

\$ \$ \$

19,481

\$ 19,481	\$ 0	\$ 0

\$ \$ \$ 22

2,000 35,732

WASHINGTON COUNTY
 SCHEDULE OF OPERATING REVENUE
 Fiscal Year Ended June 30, 1998
 (Continued)

	Totals (Memorandum Only)	General Fund	Road and Bridge Fund	Jail Fund
<u>Miscellaneous Revenue (Continued)</u>				
Surplus Property Sales	\$ 45,881	\$ 45,881	\$	\$
School Bus Subsidy	22,620	22,620		
Miscellaneous Items	<u>5,296</u>	<u>1,209</u>	<u>4,087</u>	
Totals	<u>\$ 614,012</u>	<u>\$ 492,548</u>	<u>\$ 68,755</u>	<u>\$ 14,955</u>
Total Operating Revenue	<u>\$ 2,814,514</u>	<u>\$ 1,553,936</u>	<u>\$ 768,167</u>	<u>\$ 41,629</u>

WASHINGTON COUNTY
 SCHEDULE OF OPERATING REVENUE
 Fiscal Year Ended June 30, 1998
 (Continued)

Local Government Economic Assistance Fund	Senior Citizen Grant Fund	Fredericktown Project Grant Fund
\$	\$	\$
\$ 0	\$ 2,000	\$ 35,754
\$ 19,481	\$ 211,400	\$ 219,901

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COMPARATIVE SCHEDULE OF
FINAL BUDGET AND BUDGETED EXPENDITURES

WASHINGTON COUNTY
COMPARATIVE SCHEDULE OF
FINAL BUDGET AND BUDGETED EXPENDITURES

Fiscal Year Ended June 30, 1998

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>GENERAL FUND</u>			
<u>General Government</u>			
Office of County Judge/Executive:			
Salaries-			
County Judge/Executive	\$ 47,899	\$ 47,899	\$
Deputy County Judge/Executive	600	600	
Secretaries	15,525	15,521	4
Office Materials and Supplies	3,624	3,623	1
Bond Premium	622	622	
Memberships	685	685	
Office Furniture	67	67	
Office Equipment	2,560	2,560	
Office of County Attorney:			
Salaries-			
County Attorney	7,800	7,788	12
Assistant County Attorney	7,200	7,200	
Secretaries	2,680	2,672	8
Office Materials and Supplies	27	27	
Memberships	500	500	
Office of County Clerk:			
Fees	4,075	4,075	
Office of Sheriff:			
Accounting Services	200	200	
Advertising Tax Bills	803	803	
Radio Maintenance	1,380	1,380	
Gasoline	4,277	4,277	
Office Supplies	4,836	4,836	
Uniforms	1,052	1,052	
Travel	89	89	
Memberships	300	300	
Training	1,752	1,752	
Vehicle Maintenance	2,632	2,632	
Bond Premium	1,622	1,622	
Office Equipment	2,466	2,411	55
Miscellaneous	139	139	

WASHINGTON COUNTY
 COMPARATIVE SCHEDULE OF FINAL BUDGET
 AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1998
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>GENERAL FUND (Continued)</u>			
<u>General Government (Continued)</u>			
Office of County Coroner:			
Salaries-			
County Coroner	\$ 5,195	\$ 5,192	\$ 3
Deputy Coroner	1,950	1,947	3
Fiscal Court:			
Magistrates-			
Salaries	18,461	18,461	
Expense Allowance	21,600	21,600	
Advertising	2,422	2,422	
Contracted Services	3,906	3,906	
Memberships	500	500	
Fiscal Court Clerk Salary	3,600	3,600	
Office of Property Valuation Administrator:			
Statutory Contribution	14,382	14,382	
Office of Board of Assessment Appeals:			
Per Diem	400	400	
Office of County Treasurer:			
County Treasurer Salary	19,800	19,798	2
Bond	888	888	
Office Materials and Supplies	876	912	(36)
New Office Equipment	1,566	1,566	
Memberships	25	25	
Office of Tax Administration:			
Tax Administrator Salary	8971	8971	
Data Processing	685	685	
Office Materials and Supplies	3,648	3,648	
Furniture	240	240	
Data Processing Supplies	765	765	
County Law Library:			
Law Librarian Salary	600	600	

WASHINGTON COUNTY
 COMPARATIVE SCHEDULE OF FINAL BUDGET
 AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1998
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>GENERAL FUND (Continued)</u>			
<u>General Government (Continued)</u>			
Elections:			
Per Diem-			
Election Commissioners	\$ 2,550	\$ 2,550	\$
Election Officers	4,116	4,116	
Election Tabulator Salary	375	375	
Polling Rentals	405	405	
Printing	5,743	5,743	
Miscellaneous Expense	590	590	
Planning and Zoning:			
Salaries-			
Coordinator	11,500	11,452	48
Secretary	900	900	
Engineering Services	3,677	3,677	
Office Supplies	321	321	
Petroleum	225	225	
Mapping	82	82	
Memberships	135	135	
Telephone	76	76	
Vehicle Maintenance	648	648	
Education Programs	2,500		2,500
Conservation Fees	3,325	3,325	
Economic Development:			
Contribution	95,557	95,557	
Courthouse:			
Custodian Salary	15,363	15,345	18
Pest Control	376	376	
Custodian Uniforms	450	450	
Custodial Supplies	2,000	1,819	181
Renewals and Repairs	10,000	9,415	585
Telephone	8,160	8,157	3
Utilities	12,000	11,523	477

WASHINGTON COUNTY
 COMPARATIVE SCHEDULE OF FINAL BUDGET
 AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1998
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>General Government (Continued)</u>			
Other County Properties:			
Armory-			
Director Salary	\$ 1,235	\$ 1,231	\$ 4
Pest Control	300	300	
Custodial Supplies	536	536	
Repairs	4,281	4,281	
Utilities	9,500	9,111	389
Construction	4,268	4,268	
<u>Protection to Persons and Property</u>			
County Fire Department:			
Contributions	46,200	46,200	
Mackville Fire Department:			
Contribution	75,000	75,000	
County Rescue Squad:			
Contributions	21,000	21,000	
Disaster and Emergency Services:			
Director Salary	6,500	6,500	
Memberships	25	25	
Training	127	127	
Food	50	29	21
Office Materials and Supplies	100	98	2
Fuel	600	514	86
Emergency Materials and Supplies	200	188	12
Reimbursement	1,200		1,200
Telephone	1,205	1,203	2
Vehicle Maintenance	560	555	5
Flood Damage Repairs	96,864	25,421	71,443

WASHINGTON COUNTY
 COMPARATIVE SCHEDULE OF FINAL BUDGET
 AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1998
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>GENERAL FUND (Continued)</u>			
<u>Protection to Persons and Property (Continued)</u>			
Ambulance Service:			
Salaries-			
Director	\$ 24,646	\$ 24,646	\$
Full-time Paramedic	13,670	8,951	4,719
Part-time Paramedic	61,800	61,338	462
Full-time EMT	56,000	55,815	185
Part-time EMT	62,760	62,220	540
Data Processing Supplies	3,435	3,435	
Equipment	1,956	1,956	
Office Supplies	2,879	2,838	41
Petroleum	5,520	5,515	5
Uniforms	3,506	3,506	
Function Specifications	11,475	11,457	18
Insurance	5,581	5,581	
Licenses	80	80	
Employee Medical Service	164	164	
Registrations	100	70	30
Telephone	5,720	5,716	4
Collection Expense	4,918	4,918	
Training	1,200	1,200	
Travel	50	43	7
Radio Repair	206	206	
Vehicle Maintenance	4,795	4,718	77
Ambulances	51,228	50,505	723
Refunds	1,279	1,279	
Emergency Dispatch:			
Salaries-			
Coordinator	3,600	2,400	1,200
Dispatch	42,000	42,000	
Equipment Maintenance	4,797	4,797	
City	38,659	29,545	9,114
Office Supplies	600	492	108
Memberships	50		50
Telephone	10,650	10,641	9
Training	185	185	

WASHINGTON COUNTY
 COMPARATIVE SCHEDULE OF FINAL BUDGET
 AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1998
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>GENERAL FUND (Continued)</u>			
<u>Protection to Persons and Property (Continued)</u>			
Emergency Dispatch: (Continued)			
Equipment	\$ 67,362	\$	\$ 67,362
Office Equipment Repairs	577	577	
Travel	400	400	
Miscellaneous	850	803	47
Forestry Fire Protection:			
Kentucky State Treasurer	1,308	1,308	
Office of Public Defender:			
Contribution	1,305	1,305	
DARE	500	500	
<u>General Health and Sanitation</u>			
Dog Control:			
Salaries	5,307	5,307	
Dog Food	3,330	3,329	1
Supplies	317	317	
Telephone	554	554	
Building	4,700		4,700
Utilities	816	816	
Solid Waste Collection:			
Coordinator Salary	5,834	5,834	
Program Support	5,690	8,922	(3,232)
Food	3,084	3,083	1
Office Supplies	1,947	1,946	1
Petroleum	357	357	
Memberships	25	25	
Telephone	307	306	1
Vehicle Maintenance	750	736	14
Laborer	5,196	5,196	
Travel	5	5	
Soil and Water Conservation:			
Program Support	25,050	25,050	

WASHINGTON COUNTY
 COMPARATIVE SCHEDULE OF FINAL BUDGET
 AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1998
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>GENERAL FUND (Continued)</u>			
<u>Social Services</u>			
Service to Indigents:			
Contribution	\$ 134	\$ 134	\$
Senior Citizens Program:			
Contribution	200	200	
Senior Center Building	30,000	30,000	
Services to Children and Youth:			
School Bus Transportation	15,000	15,000	
Mental Health and Retardation:			
Contribution	2,500	2,500	
Spouse Abuse Center:			
Contribution	4,455	4,455	
<u>Debt Service</u>			
Interest Borrowed Money:			
Kentucky Advance Revenue Program	9,895	9,895	
Other County Liabilities:			
KALF Pre-96 Assessment	4,427	4,427	
Lease-Purchase Agreements-			
Truck Principal	3,427	3,427	
Truck Interest	1,331	1,331	
Voting Machines Principal	15,000	15,000	
Voting Machines Interest	2,096	2,096	

WASHINGTON COUNTY
 COMPARATIVE SCHEDULE OF FINAL BUDGET
 AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1998
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>GENERAL FUND (Continued)</u>			
<u>Administration</u>			
Contingent Appropriations:			
Reserve for Transfers	\$ 13,956	\$	\$ 13,956
General Services:			
Feasibility Study	1,603	1,603	
Audit Expense	9,726	9,726	
Insurance	14,952	14,952	
Bond Premiums	254	254	
ADD Membership	3,132	3,132	
KACO Dues	800	800	
Refunds	6,010	6,010	
Fringe Benefits:			
County Contributions-			
Social Security	45,552	45,541	11
Retirement	51,300	51,291	9
Health Insurance	22,800	22,707	93
Other Insurance	400	400	
Worker's Compensation	21,934	21,934	
Unemployment Insurance	1,090	1,090	
Total Operating Budget	\$ 1,517,771	\$ 1,340,487	\$ 177,284
Other Financing Uses:			
*Kentucky Advance Revenue Program-			
Principal	462,805	462,805	
Total General Fund	\$ 1,980,576	\$ 1,803,292	\$ 177,284

ROAD AND BRIDGE FUND

Transportation Facilities and Services

Road Facilities:			
Pest Control	\$ 100	\$ 96	\$ 4
Telephone	1,000	918	82
Utilities	3,000	2,351	649
Insurance and Repairs	9,628	9,628	

WASHINGTON COUNTY
 COMPARATIVE SCHEDULE OF FINAL BUDGET
 AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1998
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>ROAD AND BRIDGE FUND (Continued)</u>			
<u>Roads</u>			
Covered Bridge	\$ 32,000	\$ 2,243	\$ 29,757
Road Maintenance:			
Salaries-			
Road Foreman	27,519	27,519	
Road Labor	140,000	134,606	5,394
Advertising	500	307	193
Contracted Construction	17,783	17,782	1
Survey and Engineering	100	100	
Asphalt	256,880	256,880	
Crushed Stone	50,500	50,394	106
Office Supplies	500	321	179
Road Materials	3,007	3,007	
Petroleum	15,825	15,806	19
Pipe	5,000	4,169	831
Signs	3,200	2,862	338
Uniforms	3,140	3,131	9
Membership Dues	195	195	
Equipment Repairs	32,368	32,356	12
Training	1,000	644	356
Office Equipment	293	110	183
Other Equipment	20,921	20,921	
Miscellaneous Supplies	1,225	1,221	4
<u>Debt Service</u>			
Borrowed Money:			
Interest	2,350	2,332	18
Other County Liabilities:			
Lease-Purchase Agreements			
Backhoe Principal	16,500	16,492	8
Backhoe Interest	2,445	2,002	443
Loader Principal	20,275	20,192	83
Loader Interest	490	339	151
KALF Pre-96 Assessment	4,157	4,157	

WASHINGTON COUNTY
 COMPARATIVE SCHEDULE OF FINAL BUDGET
 AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1998
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>ROAD AND BRIDGE FUND (Continued)</u>			
<u>Capital Projects</u>			
Bridges:			
Building and Construction	\$ 43,794	\$ 37,924	\$ 5,870
<u>Administration</u>			
General Services:			
Insurance	20,800	20,490	310
Refunds	515	515	
Contingent Appropriations:			
Reserve for Budget Transfers	17,205		17,205
Fringe Benefits:			
County Contributions-			
Retirement	15,000	14,023	977
Social Security	12,000	11,460	540
Life Insurance	1,362	1,362	
Health Insurance	16,920	16,919	1
Worker's Compensation	10,000	10,000	
Unemployment Insurance	363	363	
Total Operating Budget	\$ 809,860	\$ 746,137	\$ 63,723
Other Financing Uses:			
*Kentucky Advance Revenue Program-			
Principal	109,065	109,065	
Total Road and Bridge Fund	\$ 918,925	\$ 855,202	\$ 63,723

WASHINGTON COUNTY
 COMPARATIVE SCHEDULE OF FINAL BUDGET
 AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1998
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>JAIL FUND</u>			
<u>Protection to Persons and Property</u>			
Office of Jailer:			
Personnel Services-			
Salaries-			
Jailer	\$ 26,625	\$ 26,625	\$
Jail Personnel	16,185	16,185	
Administrative Personnel	1,680	1,680	
Jail Personnel-Juvenile	2,500	2,325	175
Association Dues	100	50	50
Staff Training	1,200	1,157	43
Operations-			
Contracts with Other Counties	67,500	65,863	1,637
Equipment Repair	400	232	168
Food	200	69	131
Office Supplies	200	114	86
Uniforms	300	99	201
Routine Medical	8,000	5,274	2,726
Telephone	600	597	3
Staff Travel	7,400	5,429	1,971
Communication Equipment	600	572	28
Other Equipment	500	142	358
Juvenile-			
Contracts with Other Counties	9,000	7,130	1,870
Food	100	27	73
Routine Medical	1,000	255	745
Staff Travel	1,080	1,076	4
Miscellaneous	200		200
<u>Administration</u>			
Contingent Appropriations:			
Reserve for Budget Transfers	1,819		1,819
Fringe Benefits:			
County Contributions-			
Retirement	8,570	8,427	143
Social Security	3,355	3,337	18
Total Jail Fund	\$ 159,114	\$ 146,665	\$ 12,449

WASHINGTON COUNTY
 COMPARATIVE SCHEDULE OF FINAL BUDGET
 AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1998
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>LOCAL GOVERNMENT ECONOMIC ASSISTANCE FUND</u>			
<u>Roads</u>			
Road Maintenance:			
Crushed Stone and Gravel	\$ 23,171	\$ 22,383	\$ 788
<u>SENIOR CITIZEN GRANT FUND</u>			
Building and Construction	\$ 211,200	\$ 183,840	\$ 27,360
<u>FREDERICKTOWN PROJECT GRANT FUND</u>			
Hazard Mitigation:			
Federal Program	\$ 558,585	\$ 99,931	\$
Local Match		35,732	422,922
Administration	4,265	5	4,260
Total Fredericktown Project Grant Fund	\$ 562,850	\$ 135,668	\$ 427,182
Total Operating Budget - All Funds	\$ 3,283,966	\$ 2,575,180	\$ 708,786
Other Financing Uses:			
*Kentucky Advance Revenue Program- Principal	571,870	571,870	
TOTAL BUDGET - ALL FUNDS	\$ 3,855,836	\$ 3,147,050	\$ 708,786

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER
FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS



Edward B. Hatchett, Jr.
Auditor of Public Accounts

Honorable John A. Settles, County Judge/Executive
Honorable Bobby Brady, Former County Judge/Executive
Members of the Washington County Fiscal Court

Report On Compliance And On Internal Control Over Financial Reporting Based On An
Audit Of Financial Statements Performed In Accordance With Government Auditing Standards

We have audited the financial statements of Washington County, Kentucky, as of and for the year ended June 30, 1998, and have issued our report thereon dated May 27, 1998. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Washington County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Washington County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of management. However, this report, upon release by the Auditor of Public Accounts, is a matter of public record and its distribution is not limited.

Respectfully submitted,

Edward B. Hatchett, Jr.
Auditor of Public Accounts

Audit fieldwork completed -
May 27, 1999

144 Capitol Annex
Frankfort, KY 40601-3448
Tele. 502•564•5841
Fax 502•564•2912
hatchett@apa1.aud.state.ky.us

An Equal Opportunity Employer M/F/D

2501 Georgetown Road, Suite 2
Frankfort, KY 40601-5539
Tele. 502•573•0050
Fax 502•573•0067


CERTIFICATION OF COMPLIANCE –
LOCAL GOVERNMENT ECONOMIC ASSISTANCE AND DEVELOPMENT PROGRAMS

WASHINGTON COUNTY FISCAL COURT


Fiscal Year Ended June 30, 1998

CERTIFICATION OF COMPLIANCE
LOCAL GOVERNMENT ECONOMIC ASSISTANCE PROGRAMS
WASHINGTON COUNTY FISCAL COURT

The Washington County Fiscal Court hereby certifies that assistance received from the Local Government Economic Development Program and Local Government Economic Assistance Program was expended for the purpose intended as dictated by the applicable Kentucky Revised Statutes.



John A. Settles
County Judge/Executive



Carla Hardin
County Treasurer